

# Indiana Department of Education



Office of Financial Management, Analysis, and Reporting

Room 229, State House - Indianapolis, IN 46204-2798

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## MEMORANDUM

TO: All School Superintendents

FROM: Debra Hinline, Director  
Office of Financial Management, Analysis, and Reporting

DATE: August 27, 2007

RE: Advancements from the Common School Fund

The Office of Financial Management, Analysis, and Reporting will accept Petitions for advancements from the Common School Fund from **August 31, through September 14, 2007**. Petitions must be received by the Office of Financial Management, Analysis, and Reporting by **September 14, 2007**, to be considered. Fax copies will be accepted under the following conditions:

1. Copies must have all required signatures and appropriate dates.
2. Fax copies must be received by **September 14, 2007**, with original copies submitted by mail. Requests for forms and completed forms may be faxed to (317) 233-6326.

Petitions for advancements may be obtained by submitting a written request to the Office of Financial Management, Analysis, and Reporting, Department of Education, Room 229 State House, Indianapolis, IN 46204.

According to information provided by the State Treasurer's Office, as of July 27, 2007, there is approximately \$18,000,000.00, available for distribution. Advances for construction (see item 2 under QUALIFICATIONS) and technology will be made according to the rank of school corporations/school townships that have the least amount of 2006 assessed valuation per pupil ADM in grades 1-12.

*In accordance with IC 6-1.1-20, any project that exceeds two million dollars (\$2,000,000) is subject to the petition-remonstrance process. Therefore, the school corporation or school township must be in compliance with this provision prior to the submittal of a petition for advancement from the Common School Fund -- Construction Program and the Educational Technology Program. A copy of the certification by the County Auditor must accompany the Common School Fund petition.*

If you have questions concerning rules, interest rates, or qualifications, please contact me at (866) 234-1414 toll free or (317) 232-0840.

**STATE BOARD OF EDUCATION ADMINISTRATIVE POLICIES:**

1. During any one award period, a school corporation may cite **no more than one building** (remodeling, renovation, or new structure) as the subject of an advancement.
2. A school corporation that submits a petition for an advancement from *either* the school construction program or the educational technology program ***must certify*** either: 1) **that the corporation has completed the preliminary determination and petition-remonstrance procedure in IC 6-1.1-20 with favorable results;** or 2) that the procedure does not apply. This requirement does not apply if a school corporation intends to repay an educational technology advancement from its Capital Projects Fund.
3. A corporation must submit its petition for an advancement on an original copy of the form approved by the State Board of Education.
4. Any school corporation that petitions for an advancement from the school construction program should comply with the guidelines adopted by the Indiana State Board of Education on September 7, 1995. (See Attachments 1 and 2).
5. The maximum amount awarded under the provisions governing educational technology advancements will be based on the corporation's or township's ADM times \$100. Corporations petitioning for an advancement will be ranked from lowest to highest according to their assessed valuation per grade 1-12 ADM.
6. Funds for the two categories of advancements shall be allocated as follows:

School Construction Program	75%
Educational Technology Program	25%

In the event that all funds are not awarded from one program, those funds that remain shall be transferred to the other program.

7. Advancements must be used within one (1) year after the State Board of Education approves the advancement.
8. The State Board of Education will not permit prepayment of advances.

## **Attachment 1**

### **SCHOOL BUILDING CONSTRUCTION PROGRAM**

#### **QUALIFICATIONS:**

Under the provisions of IC 21-1-5-3(b) to qualify for an advance from the Common School Fund, the school corporation or school township must have:

- (1) sustained loss by fire, wind, cyclone, or other disaster of all or a major portion of school building or school buildings; *or*
- (2) an assessed valuation per pupil ADM within the lowest forty percent (40%) of the assessed valuation per pupil ADM when compared to all school corporations or school townships assessed valuation per pupil ADM; *or*
- (3) an advance under this chapter outstanding on July 1, 1993, that bears interest at a rate of at least seven and one-half percent (7.5%); *and*
- (4) established a capital projects fund under IC 21-2-15.

#### **MAXIMUM AMOUNT AVAILABLE**

No advance to a school corporation or a school township for any school building construction program may exceed the greater of:

- (1) fifteen million dollars (\$15,000,000); *or*
- (2) the product of fifteen thousand dollars (\$15,000) multiplied by the number of pupils accommodated as a result of the school building program.

This provision may be waived by the State Board of Education in the event that the school corporation or school township sustains loss by fire, wind, cyclone, or other disaster.

#### **INTEREST RATES:**

The State Board of Finance will periodically establish interest rates as long as:

- (1) the established interest rate or rates do not exceed seven and one-half percent (7.5%); *and*
- (2) The interest rate or rates on advances made to school corporations or school townships with advances outstanding on July 1, 1993, bearing interest at seven and one-half percent (7.5%) or more shall not exceed four percent (4%).

#### **REPAYMENT PERIOD:**

Money advanced to school corporations or school townships for school building construction programs may be advanced for periods not to exceed twenty-five (25) years.

## **Attachment 2**

### **EDUCATIONAL TECHNOLOGY PROGRAM**

#### **QUALIFICATIONS:**

In order to receive an advancement for educational technology under IC 21-1-5, the corporation must have a three (3) year technology plan. Said plan must include at least the following information:

- (1) A description of the school corporation's intent to integrate technology into the school corporation's curriculum.
- (2) A plan for providing in-service training.
- (3) A schedule for maintaining and replacing educational technology equipment.
- (4) A description of the criteria used to select the appropriate educational technology equipment for the appropriate use.
- (5) Other information requested by the department after consulting with the budget agency.

#### **MAXIMUM AMOUNT AVAILABLE:**

Advances for educational technology programs are without limitation in amount other than the availability of funds in the common school fund for this purpose, and the ability of the school corporation or school township desiring an advance to repay it in accordance with the terms of the advance. See Item 5 of the State Board of Education policies adopted December 5, 1996, for additional information.

#### **INTEREST RATES:**

The State Board of Finance shall establish periodically the rate or rates of interest payable as long as the rate or rates:

- (1) are not less than one percent (1%); *and*
- (2) do not exceed four percent (4%).

#### **REPAYMENT PERIOD:**

Money advanced for school technology may be for periods not to exceed five (5) years.

#### **USE OF FUNDS:**

The State Board of Education will advance money to school corporations and school townships for:

- (1) acquisition of educational technology equipment;
- (2) operation of educational technology equipment; *and*
- (3) the training of teachers in the use of educational technology equipment.